DOCUMENT RESUME

ED 351 438 CE 061 739

TITLE	Commission Memorandum on Vocational Training in the European Community in the 1990s.
INSTITUTION	Commission des Communautes Europeennes (Luxembourg).
PUB DATE	90
NOTE	17p.
PUB TYPE	Viewpoints (Opinion/Position Papers, Essays, etc.) (120)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	*Educational Policy; Foreign Countries; Futures (of Society); *International Cooperation; International Organizations; *International Programs; Job Training; *Labor Force Development; Policy Formation; Postsecondary Education; Public Policy; Secondary Education; Student Certification; Technical Assistance; Technological Advancement; *Vocational Education
IDENTIFIERS	*European Community

ABSTRACT

As new European Community (EC) objectives become prominent in the coming years, vocational training policy will assume increasing importance. The socioeconomic context of the 1990s will be characterized by an accelerating pace of change and the growing role of intangible capital. New forms of work organization with new requirements for qualifications and human resource development will need to be developed. A balance will have to be achieved between investment in research and development to accelerate innovation and investment in training to create a skilled work force able to use and diffuse innovations. EC policies for professional qualifications should be seen in the framework of a double political objective: ensuring free movement of workers and developing common policies for vocational training. The starting point for EC action has been recognition of the diversity of education and training systems of Member States. From here, EC training policy has built on the principles of coordination of policies, convergence of initiatives, and transnational cooperation. Central objectives for future EC training policy can be grouped under three headings: investment, improvement, and transparency (equal access). EC action on training has two strands: setting common objectives to be pursued by Member States and identifying objectives and actions to be pursued by the EC to support and complement national policies. (YLB)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED351438

TASK FORCE
HUMAN RESOURCES
EDUCATION
TRAINING
YOUTH

CE

COMMISSION MEMORANDUM ON

VOCATIONAL TRAINING IN THE EUROPEAN COMMUNITY IN THE 1990's

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☒ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

H Flores

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

BEST COPY AVAILABLE

CE061737

Commission of the European Communities

SUMMARY

INTRODUCTION 5

I. COMMUNITY OBJECTIVES 7

1. The accelerating pace of change
2. The new role of «Intangible Capital»
3. Qualifications and work organisation
4. Human resources: more important and yet more scarce 8
5. Training and qualification of women
6. Skills shortages
7. SMEs and the single market
8. Towards a European market for qualifications and training 9
9. Continued training founded on initial vocational training
10. Social partnership 10

II. ACHIEVEMENTS OF COMMUNITY POLICY 11

1. A progressive build-up
2. The foundations of action by the Community
3. Areas of activity 12
4. Council decisions
5. Transnational measures
6. Transparency of the labour market
7. Structural action 13
8. Key advantages of Community policy 14
9. The achievements of the social dialogue

III. GUIDELINES FOR THE 1990's 15

A. Questions facing all Member States

B. Community Action

1. Underpinning Community action
2. Respecting subsidiarity 16
3. New objectives for Community policy
4. Coherent and visible Community action 17

INTRODUCTION

1. The marked changes characteristic of the 1980's with economic restructuring extending into different sectors of activity, skills changing and evolving, a very different situation as regards labour supply, mobility and migratory flows will, in many ways, be accentuated in the socio-economic outlook for the 1990's. Against this background the Commission has decided to promote widescale discussions on the development of training policies post-compulsory schooling. It is convinced that at both Community level and in the Member States, improved training is an essential prerequisite for dealing with these trends. This memorandum is the result of in-depth and broadranging discussions with the tripartite Advisory Committee on Vocational Training at both Community and national level. It includes elements of the written contributions prepared on a tripartite basis in each of the Member States.

2. This memorandum aims to explore the way ahead for policy in this area in the Community in the 1990s. It describes the **new objectives** that will become prominent in the coming years, as a result of which vocational training policy will assume increasing importance. It examines **achievements** so far in constructing a common policy on the basis of the 1963 principles, with particular reference to the various «action» programmes set up since 1985 with regard to vocational training. Finally it suggests **guidelines** for future Community policy in this area.

3. The memorandum should be seen in the context of the work programme arising out of the Social Charter; this proposed, amongst other things, that in 1991 the Commission should bring forward proposals for updating the general principles of Community policy on vocational training, as established by the Council Decision of 2 April 1963. Further discussions have led to the conclusion that these principles remain valid in their present formulation.

4. Given the current situation the Commission has decided to open up the debate on these various issues. Member States and indeed the Community itself are confronted by decisions which will be significant in endeavours to ensure that human resources play their full role in constructing the Community, ensuring continued economic growth in Europe and creating a society open to other parts of the world.

5. At the same time work to examine the future of higher education has been in progress. The Commission has just brought out a memorandum suggesting guidelines in this area, including the reinforcement of the aims of research and application of its results. The memorandum also examines how to reinforce the links between industry and higher education - particularly universities - by the year 2000.

6. The aim of this memorandum on vocational training in the European Community is therefore to provide a basis for a debate on these questions. With this end in view it points to key issues which the Commission sees as vital. These include:

- major socio-economic changes in the 1990s, in particular the consequences of the accelerating globalisation of economic activities and technologies, as the background for the future development of the European Economy;

- the shape and increasing pace of technological change in coming years and the need to develop new forms of work organisation with new requirements for qualifications and human resource development;

- the balance to be achieved between investment in research and development to accelerate innovation, and investment in training to create a skilled workforce able to use and diffuse innovations, particularly for SME's;

- regional problems arising from skill shortages in various parts of the Community: skill potentials poorly adapted to needs for growth and innovation, time-lags between declining and new sectors of activity, inadequate basic qualifications, etc.;

- the positive effects of setting up a European «space» for training and education, helping firms to develop new policies for using qualifications, allowing individuals to have access to new opportunities for training and mobility, and in which training agencies will operate in European rather than national markets. The widening of the European Economic Space to include the EFTA countries will strengthen these positive effects, given their particular experience and innovation capacities in this field;

- the mutual knowledge of training systems between the various Member States and the setting up of transeuropean networks for information and exchanges

involving providers and decision makers in national training and qualifications systems;

- the evolving patterns of mobility within and into the Community, with consequences for the structure and operation of European labour markets. In this connection Community experience and capacities in the training field, already mobilised in PHARE, will help the countries of Eastern and Central Europe in their adjustment process with regard to training issues. The establishment of the European Training Foundation would improve the efficiency and visibility of these efforts.

7. Moreover, it is essential to bear in mind that the boundaries between basic education on the one hand and training on the other one are gradually disappearing in many cases. It is clear, for example, that the competences provided by training are increasingly of educational value - particularly in the case of social and communication skills whilst basic education provides a foundation of competences for later professional life. This dynamic interaction between the two areas of training and education will be fundamental for the years ahead. Another vital question is the «status» of technical education and vocational training, in institutional and financial terms.

8. The current situation of the labour market in the majority of European countries is of great importance. One of the objectives should be to improve the impact of training policies on unemployment, particularly long-term unemployment. Here two aspects are particularly significant. On the one hand, Community action, particularly as regards information and exchange of expertise, should contribute to the transfer of innovation. On the other hand, the aim of raising the level and range of qualifications should assist both individuals and firms to be more prepared for economic fluctuations and hence better armed to cope with their negative effects, for example loss of jobs and segmentation of the labour market.

9. In this attempt to define new guidelines for Community policy, the balance between integration and diversity, as expressed in the principle of subsidiarity should be preserved. The objectives of integration and diversity are not mutually exclusive, but on the contrary need to be seen as complementary. Indeed, cultural diversity and the considerable variety of education and training systems is typical of Europe as compared with other advanced economies. Community policy should promote and support the synergies and cooperation which will make a virtue of these differences.

10. Thus, in defining the way forward for Community policy it is essential both to underline the contribution of vocational training to the new phases of building Europe and at the same time to reinforce and assist action taken by individual Member States. Community action on training has two strands: setting common objectives to be pursued by Member States and identifying objectives and actions to be pursued by the Community to support and complement national policies.

BEST COPY AVAILABLE

I. COMMUNITY OBJECTIVES

THE ACCELERATING PACE OF CHANGE

11. Human resources will be a priority for the 1990's because the decade will be characterised by more of the economic restructuring which was such a prominent feature of recent years. This restructuring will concern a wide range of economic sectors. At the same time the general socio-economic climate will undergo rapid change as the Single Market becomes a reality and technological change accelerates - with a particularly marked effect on the structure of qualifications and their evolution.

12. In order to prepare for an increasingly turbulent and unpredictable environment, firms are making systematic preparations and developing key resources for strategic action, including technologies, networks, information and human resources. Making full use of these resources requires foresight and planning: ad hoc improvisation does not work. Successful firms realise this and are developing these resources in order to be able to react quickly to events or opportunities for development as they emerge.

13. The «globalisation» of firms - already well advanced in some technological sectors such as pharmaceuticals, information technology, telecommunications and materials - gives them a stronger and sometimes dominant position in spreading knowledge and technology. In this context, human resources become an increasingly important factor in competition, both for entreprises and national economic systems as a whole.

14. Uncertainty and turbulence are the essence of the contemporary scene - and a capacity for continuing change the key to success. This means that it is essential to build up, by means of education and training policy, the capacity of the workforce to be flexible and innovative. European firms should receive the support of education and training infrastructures which will nourish such capabilities.

THE ROLE OF «INTANGIBLE CAPITAL»

15. The socio-economic context of the 1990s will be marked by the growing role of what might be termed «intangible capital», without which physical capital (machines and equipment) will be inefficient. This includes not only professional qualifications and technological competences but also ability to organise and an entrepreneurial spirit. European «human capital» is thus a creative and dynamic force in the Community and should be seen as a common resource to be developed by mobility, exchanges and cooperation. The European space should certainly be seen as a forum for competition and as a market, but also as an arena for realising and mobilising the competences of its citizens and workers.

16. In the context of globalisation referred to above, enterprises and public authorities will be called upon to cooperate. The result should be new kinds of partnership notably at Community level - and new interventions and relationships meeting the needs both of economic objectives and social cohesion.

17. By developing modern and competitive forms of production, and developing and using the qualifications of a well-educated and trained population, Europe will be able to better manage the balance of migratory flows: particularly «brain drain» at the higher levels of qualifications and mobility which deprives the less developed regions of the qualified workers and managers needed to develop competitive economic activities.

QUALIFICATIONS AND WORK ORGANISATION

18. New techniques of information, communication, production, processing and automatisation are affecting many jobs and altering the qualification profiles in many professions. Europe needs high quality performance in developing and using new technologies if it is to face up to international competition.

19. Modern work organization is characterised by the erosion of the traditional division of labour and by techniques which can be adapted to take account of human needs. Modern management styles are characterised by more decentralisation of decision-making powers, one aim of which is to strengthen quality control by giving more responsibility to the various levels of staff, down to the operational level. The modern worker is thus a collaborator capable of planning, organising and executing his/her work autonomously. Multiple or interlocking qualifications are increasingly needed, where information technology and traditional qualifications are combined to adapt to the new working conditions. The overall result is that the content and methods of initial and continuing training should be changed so that the acquisition of technical skills is combined with executive and social competences.

20. . As a result the relationships between physical and intangible investment by firms are changing. Without investment in their human resources, and notably the qualifications of their workforce, they are unable to fully exploit the potential of new processes of production or to attain the standards of competitivity necessary to succeed in world markets, notably as regards quality of goods and services. Investment in research and development and investment in training and qualification should therefore go hand-in-hand so as to ensure complementarity and efficiency.

HUMAN RESOURCES: MORE IMPORTANT YET MORE SCARCE

21. In this perspective demography and migration, renewal of the workforce and maintenance of its skill base are essential factors. The decline in the proportion of young workers means that the skills of the adult workforce will become more important: over 80% of the workforce of the year 2000 is already in the labour market, the stock of competence needs to be renewed by between 10% - 15% per year, and the annual entry of young people to the labour market accounts for only 2% of the active workforce. This will put heavy pressure on the need to develop the continuing training of adults whilst at the same time keeping up efforts to improve the quality of initial training for young people.

22. Education and training policies should be adapted to meet different needs from those of the last thirty years under the cumulative effect of three factors, with marked regional differences: (a) the decreasing proportion of young people in the workforce, (b) the active population - which grew during the 1980s - will stabilise from 1995 and then fall during the next thirty years, and (c) the retired population will grow in number, particularly from the year 2000. Together, these factors will lead to a progressive inversion of dependency ratios as inactive individuals (retired and children) begin to outweigh those of working age. These changes mean that training needs will come to extend beyond a single period and that the concepts of continuing and recurrent education will move up the agenda, in the context of a changing life cycle.

TRAINING AND QUALIFICATION OF WOMEN

23. Demographic evolution means that equal opportunities in access to training and in the kind of training opportunities offered to the female workforce will become more significant, particularly for women returning to the labour market. In a context of tight labour markets the problem of training and employment for women will become a priority: women will receive more offers of qualified employment, raise their level of professional qualification and have access to a greater diversity of jobs. These objectives must be taken into account with regard to training and when developing training courses as well as when designing and implementing company training.

24. Within the Community girls and young women should be supported and encouraged to enter higher-quality jobs, which will require longer training and higher qualifications. Countries which find the best solutions to these questions will possess a considerable advantage in meeting the problem of skills shortages, which will be a new and characteristic feature of the labour market of the 1990's.

SKILLS SHORTAGES

25. The labour market in the Member States has been suffering from a relatively new phenomenon currently known as skills shortages. This is a new challenge for education and training policy - to resolve the paradox of a high unemployment rate coinciding with a lack of skilled workers.

26. Analysis of this worrying phenomenon requires an interlinked approach at the macro-economic, regional and sectoral levels. The Commission has undertaken such an analysis and the first results have appeared recently in the 1991 report on employment in Europe. It is not simply a question of overall quantitative imbalance between demand and supply since shortages have developed alongside a persistently high level of unemployment - particularly long-term unemployment. On the contrary, factors which influence quantitative and qualitative imbalances between training and employment need to be taken into account such as: demography, mobility, technological change, lack of initial training and absence or weakness of forward planning which limits the ability to promote continuing training.

27. Community analysis will in particular need to focus on a certain number of indicators which help to define the levels of skills shortages (global and sectoral shortages, regional distribution, specific professional situations). Cooperation at Community level will need to focus not only on the kind of solutions - short and long term - available for improving training capacities and techniques, but also on appropriate forms of work organization, skill needs and ways and means of fully exploiting in the production processes the potential of the available qualifications.

SME'S AND THE SINGLE MARKET

28. In recent years the role and importance of small and medium enterprises as a source of new jobs and as a pillar

of regional development has been underlined. SME's account for over 80% of Community businesses but the vast majority do not develop training plans for their staff and are therefore a priority area for Community action, particularly as a predominant element of economic growth in less developed regions. In certain sectors they will need to develop strategies for innovation, for attaining the critical size necessary for economies of scale (without however adopting to organizational models of large firms), and developing specialised niches, in the market.

29. It follows that if SME's are to gain full benefit from the single market, it will be necessary to develop training policies which meet their specific needs. To master the special challenges of the single market they will need to develop their training activities within the constraints of time, money and their specific operating conditions.

30. One of the main factors in the success of SME's in creating employment is their flexibility in adapting to market conditions. SME's will thus have to take into account not only local, regional, and national factors but increasingly the impact of the Single Market when developing strategies.

TOWARDS A EUROPEAN MARKET FOR QUALIFICATIONS AND TRAINING

31. Community policies for professional qualifications should be seen in the framework of a double political objective: ensuring free movement of workers and developing common policies for vocational training. Actions taken should add up to a Community strategy for ensuring the transparency and efficiency of the «European market of qualifications» which is already beginning to emerge, and which after 1992 should constitute one of the central poles for human resources policies. This means that the required qualifications and competences, mobility of individuals, and enterprise recruitment and management policies should evolve with a view to this European dimension of the qualifications market.

32. It is important to bear in mind that this approach should not simply be developed with a view to facilitating geographical and inter-sectoral mobility. Accessing qualifications from a European standpoint will become essential in many occupational fields as the single market becomes a reality - even if predictions of the immediate creation of a single European labour market are exaggerated.

33. This means that the Community will have to make new arrangements to ensure transparency in the description of qualifications obtained in the Member States. This gradual emergence of a European dimension of qualifications, as yet not well defined, reflects the formative stages of a «European space for training and qualifications» which will lead those responsible (public authorities, enterprises and individuals) to change their perception and behaviour. Comparable information at Community level on professional qualifications acquired via training, continuing training and years of experience is in the interest both of employees and employers. Whilst the Community will need to allow for significant differences between Member States in the ways of acquiring qualifications and the various ways of validating competences acquired in the labour market, it will also need to encourage European-level cooperation to ensure progress in defining the problems and the methods for tackling them.

34. Training on offer should equally develop a European dimension. Currently there is not one but a variety of training markets, for which mutual exchanges of information and transparency should be sought. If Community objectives are to penetrate the whole range of training systems, links should be established in the form of trans-European networks[1] giving each training operator or policy maker access to the necessary information on the situation and innovations in other Member States. The examples of the EURYDICE network for education systems or the role of the CEDEFOP and specialized research institutions in the Member States as a platform for exchanging information on vocational training show the results that can be achieved by developing information and mutual understanding of systems. Such trans-European networks should be pursued on a decentralised basis, using the potential created by action programmes, such as the UETPs University - Enterprise Training Partnership, under the COMETT programme.

(1) COM (90) 585 of 10/12/90

CONTINUED TRAINING FOUNDED ON INITIAL VOCATIONAL TRAINING

35. Acquiring, maintaining and expanding professional qualifications is part and parcel of training systems where training and work are closely linked. This is a learning process which should continue throughout working life. Vocational training designed with an eye to the needs of the labour market is therefore in the interests both of the economy and of individual workers. It should aim to supply a range of knowledge and skills of long-term value which give both the necessary technical skills and the capacity to change. The objective of the PETRA programme decided by the Council of giving all young people who so wish at least one and if possible two years of vocational training after the official school-

leaving age should be seen in this context. This means action to develop the potential of young people and to favour «sandwich» training so as to ensure the closest possible link between education and firms.

36. In this way, modern training needs to be organised so as to ensure that methodological and social skills as well as the ability to continue self-motivated learning are an integral part of vocational training, laying the foundations for future continued training and learning at the workplace. Only if the private sector takes on responsibilities in the organisation of vocational training, and if the social partners participate actively, can work and learning be linked in a practical manner and the world of work given a proper place in vocational training programmes.

37. For continuing training the value of diversified systems has been proved: the multiplicity of training organisations and programmes is in full accord with the principle of the market economy. Firms, training associations, private and public institutions and in particular the universities should offer a range of training opportunities. Transparency is thus a *sine qua non* of the market for continued training. Equally necessary is the definion of long-term objectives by a process of concertation and eventually consensus between all those concerned. Continuing training is in the interests of the employee as much as the firm. The latter should take on as far as possible the responsibility for financing and where possible organising training related to its own needs. The responsibility of each employee for his/her own training, and the firm's responsibility for continued development of the stock of qualifications of its staff should be encouraged. Individual motivation and enterprise responsibility are two factors to take into account here, including in the definition of public policies. The Commission proposal on «access to continuing training» as foreseen in the programme of work of the Social Charter, will provide the occasion for a new breakthrough on a question which is vital for the future of European competitiveness.

SOCIAL PARTNERSHIP

38. Vocational training, particularly continuing training, is an area in which the social partners play an active - and often leading - role. A reinforcement of this role and closer relationships between the socio-economic world, firms and educational institutions at all levels are necessary in the context of the qualifications challenge and forward-looking training strategies. At the level of the Community the active participation of the social partners, and in particular the important contribution of the Joint Opinions on Education and Training in the framework of the Social Dialogue are fundamental to the policy orientations of the Commission.

39. In the debate it is equally important to take into account the responsibilities which fall to the social partners in the framework of collective bargaining, and the links between bargaining agreements and public intervention at national and Community level, within the perspective of the inherent responsibility of the social partners for matters such as work organisation and vocational training.

II. Achievements of Common Policy at Community Level

A PROGRESSIVE BUILD-UP

40. The Community policy on vocational training has developed step-by-step with the growth of the Community itself. This progressive growth of Community policy was recognised legally by the Court of Justice (Gravier, 13 February 1985). Training policy has also been developed in close cooperation with other high priority Community actions, such as structural, and research and development policies, and the establishment of transeuropean networks.

41. Article 128 of the Treaty is the legal basis for Community policy on vocational training. It provides for the establishment of a common policy on the basis of general principles established by the Council on a proposal by the Commission. The Treaty leaves open possibilities for future development without laying down over-strict definitions. The first concrete application of the article was the decision of 2 April 1963 setting out general principles for a Community policy on vocational training. At the same time the statutory tripartite Advisory Committee on Vocational Training was created with the role of assisting the Commission to implement that policy.

42. From 1985 successive judgements by the Court of Justice clarified the rules: confirmation of freedom of access to training courses in another Member State without discrimination on grounds of nationality (articles 7 and 128 of the Treaty); confirmation of a wide-ranging definition of vocational training, including higher education; confirmation of the progressive constitution of Community policy on vocational training; confirmation that the Commission could propose to the Council programmes with significant budgetary consequences.

43. The review carried out during 1990 and 1991 with the Advisory Committee on Vocational Training have led to the conclusion that the general principles set out in 1963 remain valid as a general framework of reference. However, changes since 1963 make it necessary to define new objectives at Community level, in particular to ensure the increasing development of a European dimension in the field of qualifications and training.

44. The development of a «European market for qualifications and training» will necessitate Community measures to regulate this market, in particular to improve its transparency and efficiency. Measures will also have to be taken to widen access to training for all workers at Community level. The Community will also need to develop its capacity to cover not only mutual recognition of diplomas, but also qualifications, in order to ensure the transparency of the European labour market and permit free movement.

THE FOUNDATIONS OF ACTION BY THE COMMUNITY

45. An essential point of departure for Community action is the recognition of the diversity of education and training systems of Member States, which unanimously reject any attempt to impose blanket harmonization on them. This would in any case be counterproductive for the development of the Community because the diversity of educational systems and of culture reflect a strength which should be preserved in the building of Europe.

46. From this starting-point Community training policy has been built on the following principles:

- *co-ordination of policies:* the general principles and common frameworks of Council decisions setting up action programmes provide the basis for relevant coordination of Member State policies in each domain of action.

- *convergence of initatives:* the Council decisions set up in each domain a framework of common objectives which lead to a gradual convergence of national arrangements on the basis of initatives taken by Member States.

- *transnational cooperation:* transnational cooperation is encouraged between the various responsible parties in vocational training. This cooperation is reaching a level at which one can begin to talk seriously of a European training and qualifications market, in terms of the mobility of persons and the transfer of training programmes with induced effects on national arrangements and workers' skills, including those workers who are not actually mobile.

47. To this should be added the significant role of procedures of concertation and the bodies involved in it, both member States and social partners. By its very nature vocational training relies on consultation between pub-

lic authorities, employers and unions, the exact recipe varying with national practice. Community action helps to reinforce and systematise this consultation both in managing Community activities (ACVT, programme committees, social dialogue) and in Member States (national bodies for follow-up, evaluation, participation of the social partners in projects).

48. These basic approaches in the development of Community policy on vocational training have contributed to a forward-looking conception of subsidiarity, based not only on normative distinctions between areas of competence but rather on interaction between Community and national policies. This is an important point to build on in the 1990s, particularly in the context of current thought on how to improve the efficiency of policies at both Member State and Community level.

AREAS OF ACTIVITY

49. The second half of the Eighties was characterised by the adoption of successive Council decisions based on Article 128, giving a wider interpretation of the competences based on that text, and leading to the establishment of Community action programmes in the field of vocational training and work on the comparability of vocational qualifications.

50. The setting up of these programmes represents an essential stage in the construction of Community policy in the areas fixed by Council decisions. The memorandum of the Commission of 21 August 1990 on rationalisation and coordination of vocational training programmes at Community level established a framework for improving efficiency.

COUNCIL DECISIONS

51. Each programme of action is generally based on a Council decision based on the following common characteristics:

1. **common guidelines** to promote convergence of initatives taken by and in Member States in relation to national arrangements;

2. **transnational measures** at Community level which support the Council guidelines and promote transnational cooperation;

3. **evaluation** procedures covering the operations under each programme and relationships with other interacting initatives, bringing out the Community dimension as such and the links with Member State policies;

4. an advisory **programme committee** to help programme development and follow-up, on which the social partners sit as observers.

52. This coherent approach to the structure of action programmes forms part of the effort to rationalise and coordinate, and underpins the common policy of the cooperating bodies, involving both Member States and the social partners. The participation of both ensures transparency and follow-up. Taken together, these procedures and formal structures are an important factor in policy development and respect for the principle of subsidiarity.

TRANSNATIONAL MEASURES

53. The action programmes include measures partly financed by the Community, whose aim is to develop the transnational character of training programmes and systematise cooperation between the responsible European bodies in the training field. These measures have progressively gathered momentum and are now each based on networks of several hundred operators at national, regional and local levels who translate into action the objectives of the programmes. This transnational cooperation is developing at several levels: exchange of information, establishment of common frameworks of reference, exchanges and mobility of trainers, trainees and organizers, permanent partnerships, joint projects or establishment of transeuropean networks of communication and open and distance learning.

TRANSPARENCY OF THE LABOUR MARKET

54. To open up labour markets the first thrust has been the mutual recognition of diplomas and degrees so as to promote access to the professions subject to regulations in other Member States. The Council Directive on the general system for recognition of qualifications acquired after at least three years of university education was a very important step forward. The extension of such arrangements to regulated professions at other levels of training is currently being examined in the Council.

55. Work on the comparability of vocational training qualifications at «qualified worker» level is continuing faster following the approach accepted in the Council decision (91/C109/01, December 1990), and may be finished by the end of 1992. Member States have been asked to produce reports evaluating the usefulness of this approach and its implementation. This will enable the Commission to bring forward during 1992 new proposals with regard to qualifications.

56. Moreover, the development of a European dimension of qualifications, itself pushed by the Single Market, is underpinned by various strands of the Community's

initatives and action programmes. A new area of Community activity is developing - forecasting of skill needs and identification of skills shortages - to provide new data on which to build training and employment policy for the European labour market.

STRUCTURAL ACTION

57. Five priority objectives have been established for Community action under the Structural Funds applied since 1988 in the context of the general reform of structural policy. Priority actions for the European Social Fund are support for vocational training, labour market services and the stimulation of independent employment. The result has been the adoption of Community Support Frameworks (CSFs) for each objective, each providing significant financial help.

58. The amounts earmarked for Social Fund measures under the Community support frameworks established on 31 December 1990 are allocated as follows, at 1989 prices:

- Objective 1 regions: ECU 9 813 million for 1989-93
- Objective 2: ECU 983 million for 1989-91
- Objectives 3 and 4 not included in Objective 1: ECU 4 128 million for 1990-92
- Objective 5(b): ECU 436 million for 1989-93.

With respect to the main Social Fund objectives, namely Objectives 3 and 4, assistance is granted in line with the priorities and financial brackets laid down in the Community support frameworks, particularly as regards the relative weight ascribed to the various categories (young people, long-term unemployed workers, vulnerable groups) and the various types of training (basic training, advanced technology, transnational operations, etc.), but also as regards the balance maintained between Objectives 3 and 4.

The aim of the campaign against long-term unemployment is to direct the unemployed towards higher qualifications by a variety of operations: making the most of local employment development potential, recruitment aids, aids for setting up self-employed activities, and training for women returning to the labour market.

The aim with respect to the occupational integration of young people is to help them find their first stable employment. The Social Fund supports operations covering basic training related to work experience on the job or in appropriate centres, training requiring the use of new technologies, recruitment aids for newly created stable jobs, and aid for setting up self-employed activities.

The campaign against long-term unemployment and the occupational integration of young people accounts for about 60% of the Social Fund resources committed under the Community support frameworks established for all objectives. Objectives 3 and 4 account for 40% of available resources in developing regions, and nearly 80% of the resources the Fund can allocate to the rest of the Community.

This concentration of Social Fund resources on Objectives 3 and 4 corresponds to the regulations which established the campaign against long-term unemployment and the occupational integration of young people as Social Fund priorities.

In the case of Objective 1, Social Fund action can be classified in three main categories:

- continuing training operations representing about 70% of Social Fund Activities in regions covered by Objective 1;
- basic training operations accounting for about one quarter of the programmes funded by the Social Fund in these regions;
- reinforcing retraining structures (training for instructors).

In regions in industrial decline (Objective 2), ESF funding is mainly directed to the development of productive activities, especially in small and medium-sized enterprises (SMEs) and operations aimed at supporting technological training.

In the context of rural development, the Social Fund cofinances training and employment in the economic sectors supported by the EAGGF and the ERDF.

59. This structural action has been reinforced by the recent adoption of a series of Community human resources initatives (EUROFORM for new qualifications and new employment opportunities, NOW for women's training, and HORIZON for disabled people). These supplementary interventions are currently being implemented in cooperation with the Member States. The aim of these initatives is to bring about closer links between these structural actions and Community training policies and action programmes for vocational training (notably FORCE and EUROTECNET).

60. To be eligible for these initiatives actions must meet the following financing criteria of the ESF and ERDF (the total contribution of the Structural Funds (ESF and ERDF) is estimated at 600 MECU of which 300 MECU for

EUROFORM, 120 MECU for NOW and 180 MECU for HORIZON). The rate of funding, which varies depending on the region which is promoting and the specific nature of the action proposed generally amounts to 45% of eligible expenditure, this percentage being increased to 65% in Objective 1 regions. Projects are selected by the competent national authorities (Ministries of Employment and Labour) in accordance with criteria jointly agreed with the Commission. The Member States must submit their applications in the form of operational programmes or global grants. Forty-three operational programmes were presented to the Commission by the Member States in June/July 1991 for the period up to the end of 1993.

61. Programmes must be transnational in character, thereby enabling transfer of know-how and must integrate with at least one partner from an Objective 1 region (except for the «disadvantaged» section of HORIZON). There are other priority criteria which do not necessarily have to be combined i.e. the exemplary and multiplier effect which allows the dissemination of good practice to all the activities financed by the Structural Funds in the field of training and employment; association with Community programmes FORCE, EUROTECNET, LEDA, ERGO, (EUROFORM), ILE, IRIS and the CHILDCARE network (NOW), HELIOS, HANDYNET and POVERTY III (HORIZON); and innovation in fields not so far adequately covered by the Structural Funds.

62. Overall coherence should be sought in the implementation of the policy and action guidelines set out in this memorandum. Actions in favour of economic competitiveness and actions reinforcing social cohesion should be mutually supportive and enriching, with the particular aim of transferring innovations in methods and management. This should also facilitate cost control in order to obtain the best value for money from Community and Member State resources allotted to training.

KEY ADVANTAGES OF COMMUNITY POLICY

63. The Community action programmes of the last few years have made it possible to develop new networks (national coordinating bodies, operating groups such as the UETPs under COMETT) which are in fact decision-making, intermediary bodies to pursue new objectives and in setting up transnational operations. Evaluation of these networks shows how they have contributed to the development of a Community dimension amongst participants whose interests already lay in that direction (e.g. universities), or how they have created Community activities in areas until recently little involved (e.g. SMEs). In financial and human resource terms, these action programmes (partnerships, joint projects, networks) have mobilised add-on human and financial investments, in support of specific Community objectives, with the widespread participation of public authorities, regional bodies, and enterprises. A multiplier effect of Community contributions has resulted.

THE ACHIEVEMENTS OF THE SOCIAL DIALOGUE

64. Since the Working Group on Education and Training was set up in January 1989 it has worked well and produced tangible results in the form of a Joint Opinion on education and training for young people (26 January 1990) and a proposed work programme to follow up this initial result. This further work led to the adoption of a new Joint Opinion on the transition of young people from school to working life for young people. A fourth Joint Opinion on the question of ways of enabling the greatest possible access to continuing training in firms was adopted in October 1991.

65. The follow-up to these Joint Opinions will be an important catalyst for progress at national level. They represent a form of agreement on joint action by the social partners to stimulate debate at all appropriate levels allocate and the relevant responsibility to all parties. New extensions to the social dialogue have also been accepted on two further essential themes: qualification and certification, and women and training.

66. The process of social dialogue is of value in a field of action which by its nature belongs first and foremost to the social partners and depends on progress made in collective bargaining agreements. The results obtained in the Joint Opinions of the last two years are a solid basis for further bargaining agreements at national level, and for ensuring links between collective bargaining and the initiatives developed by the Community, notably with reference to access to continuing training.

III. GUIDELINES FOR THE 1990s

A. QUESTIONS FACING ALL MEMBER STATES

67. By launching this debate on which particular aspects of vocational training to promote during the 1990's, the Commission is well aware of the need to respond to and support the structural changes currently taking place. If the Community is to be competitive the changes must be facilitated through the provision of the necessary support measures. And yet at the same time, in the interest of social cohesion, it is necessary to limit or avoid some of the more adverse effects of these changes in terms of the labour market. The decade which has just begun will be a period of great change in industrial processes in the various sectors and in the functioning of the qualifications market. It is therefore particularly important to deal with the key issues in some depth in the memorandum, and to find answers to the various questions facing all Member States, which are listed below.

68. Discussions on intial training for young people, which were a major concern in the 1980's, have certainly lost none of their interest today as we witness a gradual increase in the skills levels demanded of job-seekers and the increased difficulties encountered by those who failed to complete initial training. *How can improvements in the quality of training, gradual convergence and partnerships between training systems and enterprise to develop «sandwich» courses, improvements in the basic skills provided for young people, the link between initial training and the development of continuing training be made key aspects of the future?*

69. The labour market situation in the various Community countries shows that the highest unemployment rates and the persistence of a high level of long-term unemployment are increasingly linked to qualitative factors resulting from the mismatch between firms' skill needs (stressed by all the employers organisations) and the skills available in the work force. The creation of jobs and the knock-on effects on the level of unemployment are thus closely linked to the impact made on training policies on the «quality» of the work force in terms of skill levels in keeping with modern methods of work organization. Similarly, the changes taking place in industries, particularly in the sectors most subject to world competition, call both for the creation of medium-term plans, particularly to cover skill needs, and for joint efforts to provide retraining. *How can the links between training, structural change and the labour market situation be more effectively dominated in the light of all these issues?*

70. The exploitation of investments in Research & Development and the dissemination of innovation throughout the economy, in particular in sectors exposed to world-wide competition rely heavily on activities designed to improve skills. The combating of skills shortages, changes in qualifications and work organisation are all part and parcel of competitiveness nowadays. Increased access to training for all workers throughout their working life is one of the prerequisites for these changes. *How can activities be stepped up in connection with qualifications, links between training policy and the overall economic strategies of firms and regions, the design and financing of training policies for all wage-and salary-earners and for the unemployed?*

71. From what has been observed the way in which firms have been organized and how the labour market has functionned in recent years. The answer to these different questions is underpinned by an aggressive thrust towards structural adaptation. It is those countries with the mostly decisively forward-looking and dynamic attitudes towards structural change which have been most successful in combating unemployment levels. Conversely, it is those countries, which have been the least prepared for and open to these qualitative changes that are experiencing more marked and lasting mismatches between supply and demand for jobs accompanied by the gradual emergence of persistent exclusion from the labour market and a consequent upswing in long-term unemployment.

B. COMMUNITY ACTION

UNDERPINNING COMMUNITY ACTION

72. It is beyond question that Community policy on vocational training has reached a new stage of its development. The challenges now are without doubt greater and more complex than any previously faced. The different challenges analysed in this paper show that investment in training at all levels should grow in quantity and quality. Allowing for what should be done at national and Community level, the challenge can only be met by increased cooperation and convergence between all participants - whether public authorities, enterprises or educational institutions.

73. The new conditions facing the European Community underline the importance of developing human resources, particularly by means of vocational training. Human resources should be developed from two points of view: economic competitiveness on the one hand, and economic and social cohesion on the other. Training, especially continuing training, will play a central and vital role in the development of an active society able to cope with economic, technological, cultural and social change; able to face the challenges from outside the EEC area; and able to develop the concept of European citizenship. The quality and level of education and training lies at the heart of Community preoccupations, and the same is true for all Member States.

74. Developing a Community policy on vocational training is necessary if the Community is to succeed in priority economic sectors vital to the future. The sectoral actions by the Community to improve its capacity to compete on world markets, are likewise dependent on the development of human resources as an ingredient for success.

75. The strategy for developing human resources also plays a role in strengthening the Community's world role, as witnessed by the growing links with other countries and regions. Improved external cooperation in the field of education and training is a basic foundation for reciprocal advantage and influence.

76. These external relations enrich mutual knowledge, thereby building up the cultural and social understanding which enables political, technological and commerical links to be established. At the same time they strengthen outside understanding of the Community, its institutions, operations and objectives, and comparisons with the institutions of other countries or economic regions enriches the action of the Community itself.

77. Relations are now being worked out between the training institutions in the Community area and those in other countries, notably through specific arrangements whereby the EFTA countries take part in the Community's action programmes. These external requests for participation are proving to be considerable in volume and rich in content.

78. Along these lines cooperative action has now been developed with Central and Eastern Europe, for whom the development of human resources is key to moves towards a market economy, EFTA countries in the steps towards a European Economic Space, the United States, the Soviet Union and other Third countries or international organisations such as OECD and the ILO. As regards collaboration with the countries of Central and Eastern Europe, the creation of the European Training Foundation would provide the framework for an improved assessment of needs and investments.

RESPECTING SUBSIDIARITY

79. Respect for the principle of subsidiarity implies clear identification of responsibilities and measures at each level, especially those arising out of Member States' domestic action and those which may be taken up by the Commission by virtue of Community competence and the particular role of catalyst which falls to it. This in turn means defining the main policy objectives to be pursued at Community level in the area of vocational training and the added value which can be brought to Member States' own policies and activities by Community action.

80. From this perspective a double change is in train: innovation and research (which often give rise to new needs for training) and the provision of training itself by firms or training organisations are developing increasingly as Community-wide as well as national activities.

81. In other words, transnational training is beginning to overlay and influence national training markets. Thus the operators involved in Community vocational training programmes are increasingly multinational European firms, partnerships between firms and professional organisations pursuing Community objectives, territorial groupings participating in multi-regional European actions, or transnational partnerships of training organisations. The organisation of actions must have a Community dimension.

NEW OBJECTIVES FOR COMMUNITY POLICY

82. The economic conditions of the 1990s and the realisation of the single market are bringing into the open new stakes for Community policy on vocational training. This policy should be developed around the objectives in the areas of activity identified by the *Memorandum on the coordination and rationalisation of action programmes* adopted by the Commission in August 1990. The central objectives for Community training policy can be grouped under three headings: INVESTMENT, IMPROVEMENT, TRANSPARENCY.

83. *Increased investment in training:* the Member States and the Community should make greater efforts in vocational training if they are to be able to cope with the economic, technological and social changes of the Nineties and reduce regional disparities. Access to and participation in appropriate vocational training should be made easier. This means supplying all young people

with a broadly based and acknowledged professional qualification in order to facilitate their transition to working life and entry into the labour market, and developing opportunities for access to training throughout working life. It is equally necessary to forecast skill needs, given the increasing speed and complexity of change in qualifications and competences. Entry and reentry to the Community labour market should thus become easier, both from an occupational and social viewpoint.

84. *Improving the quality of training:* the quality and hence the practical results of training and education systems will have to be improved to meet the explosion in training needs, notably by exchange of information and experience in this area. Such exchanges at Community level should be based on increased transnational mobility of trainers and trainees. The development of European distance learning systems also comes under this heading, since its long-term aim is that each citizen of Europe and each firm should have access to the full range of potential European training capacities related to the subject of their interest.

85. *Ensuring transparency:* equal access to vocational training should not only be established by removing all discrimination on grounds of nationality, but also practically and explicitly encouraged. The Community should ensure genuine transparency of the training market and recognition of the training courses available. Diplomas, certificates and qualifications should be clearly recognised and mutually acknowledged. Cooperation between providers should lead to more training activities and professional itineraries worked out at Community level, and mutually recognised. Similarly, trans-European networks should be set up to connect national databases and to interlink, at the European level, training providers and decision-makers.

86. These new stages in Community policy should build on what has already been achieved, using the networks already established by the action programes and by the European Social Fund - which are in fact unique structures with a genuine Community dimension. The mutual enrichment of national systems is well under way, particularly in the framework of Community action programmes. In future there should be greater concertation and cooperation in this area, supported by efficient and decentralised management of Community programmes.

COHERENT AND VISIBLE COMMUNITY ACTION

87. During the last few years the means allocated by the Community to policy and action programmes in the area of vocational training have sharply increased although they are still limited compared to those available to structural policy and R & D policy. This is clear evidence of the priority given to human resources in the Community's overall strategy.

88. However, the effect of these actions is heavily dependent on their impact on structural problems in the Member States, which are likely to change rapidly during the 1990's. In a nutshell, the financial investments made in Member States and by the Community to make progress towards the above objectives will be more efficient if action is taken in three directions: better evaluation, improved coherence, and continually improving concertation.

89. Evaluation systems, conceived and set up jointly with Member States, should lead to greater emphasis on the real impact and value of Community actions to achieve common objectives. This clarity of Community action is important at a time when all participants (firms, organisations, social partners, public authorities, regions) are seeking to develop a Community dimension in their activities. The Council decision to include evaluation and follow-up in each of these programmes should contribute to this end. Evaluation will be coordinated with measures taken by the competent authorities in Member States, and defined and implemented in close collaboration with them. One of the aims will be to analyse the effects of Community actions on national policy and practice, with particular reference to the general objectives already described, thus promoting innovation in the management and planning of programmes and coordination at national level.

90. Effective links between vocational training policy and other Community human resource policies is another component of progress. The aim of the Commission is to serve better convergence of objectives between those of vocational training policy and those in other areas such as economic competitiveness, and structural action (notably by structural funds) to promote economic and social cohesion. To this end an overview framework has been set up to rationalise the various initatives taken by the Commission in fields such as the vocational training action programmes, training activity in the framework of structural policies, and the promotion of human capital and mobility in the framework programme of research and development. Improved means of cooperation with Member States are needed if these measures of rationalisation and coordination are to be fully effective.

91. Similarly the Commission intends in future to establish

closer links between human resource development and its objectives in developing competitiveness in certain, particularly industrial, sectors. This lies behind the guidelines set for Community industrial policy and the debates on the future of certain sectors. Community action programmes in the field of vocational training with horizontal effects should also take into account the sectoral dimension, particularly with regard to skills shortages and retaining measures in order to bring about better integration of workers' competences into efforts to develop European competitivity and realise the beneficial effects of the single market and EMU.

92. The working method adopted for the preparation of this document on guidelines for the 1990's has shown how fruitful concertation both with Member States and the social partners can be. The principles of subsidiarity and diversity - both with particular implications for training and education - mean that greater exchanges between Member States are essential for defining priorities, facilitating convergence where appropriate, and promoting experimentation both in Member States and in Community activities.

93. The Community should contribute to the development of dialogue between the social partners at Community level, through which they can express their agreement on the development of training as part of the construction of Europe, and also develop their own action.

94. These challenges facing the Community may well seem immense. The idea of a Europe of Training will no doubt take on its full meaning in the years to come. Joint action between public authorities, firms and the social partners will bring about improvements in continuing training, raise the level of workforce qualifications in Europe - thereby assuring the competitiveness both of firms and the European economy. The Commission counts on the fact that this memorandum will contribute to promoting the debate on these issues, thereby consolidating the foundations for building effective training policies in the Member State and at Community level.